



INSURANCE ASSOCIATION OF CONNECTICUT

SUITE 209 • 21 OAK STREET, HARTFORD, CT 06106 • PHONE (860) 547-0610 • FAX (860) 547-0615

Statement

Insurance Association of Connecticut

Aging Committee

March 3, 2016

**SB 265, An Act Concerning the Protection of Consumers Who Receive Investment
Advice from Financial Advisors**

I am Eric George, President of the insurance Association of Connecticut (the "IAC"). The IAC opposes SB 265, An Act Concerning the Protection of Consumers Who Receive Investment Advice from Financial Advisors.

SB 265 would require financial advisors to make numerous disclosures to prospective clients, including disclosures related to compensation and fees. While seemingly benign on its face, SB 265 could influence a prospective client to make decisions as whether or not to hire a financial advisor based solely on which advisor is the least expensive.

Suggesting that financial advisors are in some way making decisions and acting in ways that are contrary to the interests of their clients is very concerning. SB 265 implies that these financial advisors, who often have a fiduciary duty to act on behalf of their clients' best financial

and other interests, are ignoring this duty and working against their clients' interests. By making this implication, SB 265 would discourage consumers from even engaging the services of these financial professionals, which would necessarily limit the financial advice such consumers receive and the investment choices that would be available to them. Many consumers currently realize the benefit of the expertise of these financial advisors. SB 265 could very well influence these consumers to forego this advice and make less-informed financial decisions of their own.

For these reasons, the IAC urges you to reject SB 265. Thank you for the opportunity to present the IAC's position on this legislation.